USDA Foreign Agricultural Service
GAIN Report
Global Agricultural Information Network

Required Report - public distribution

Date: 3/12/2014
GAIN Report Number: AS1404

Australia

Livestock and Products Semi-annual

March 2014

Approved By:
Hugh Maginnis,
Agricultural Counselor

Prepared By:
Joy Dauth,
Agricultural Management Assistant

Report Highlights:
The Australian cattle herd for CY2013 has been revised higher to 29 million head. Total herd numbers are expected to decline in CY2014 to around 27.5 million head. Live cattle exports have been revised upwards to 851 thousand head for CY2013 and are forecast to reach 900 thousand head in CY2014 which would be the highest number since 2009.

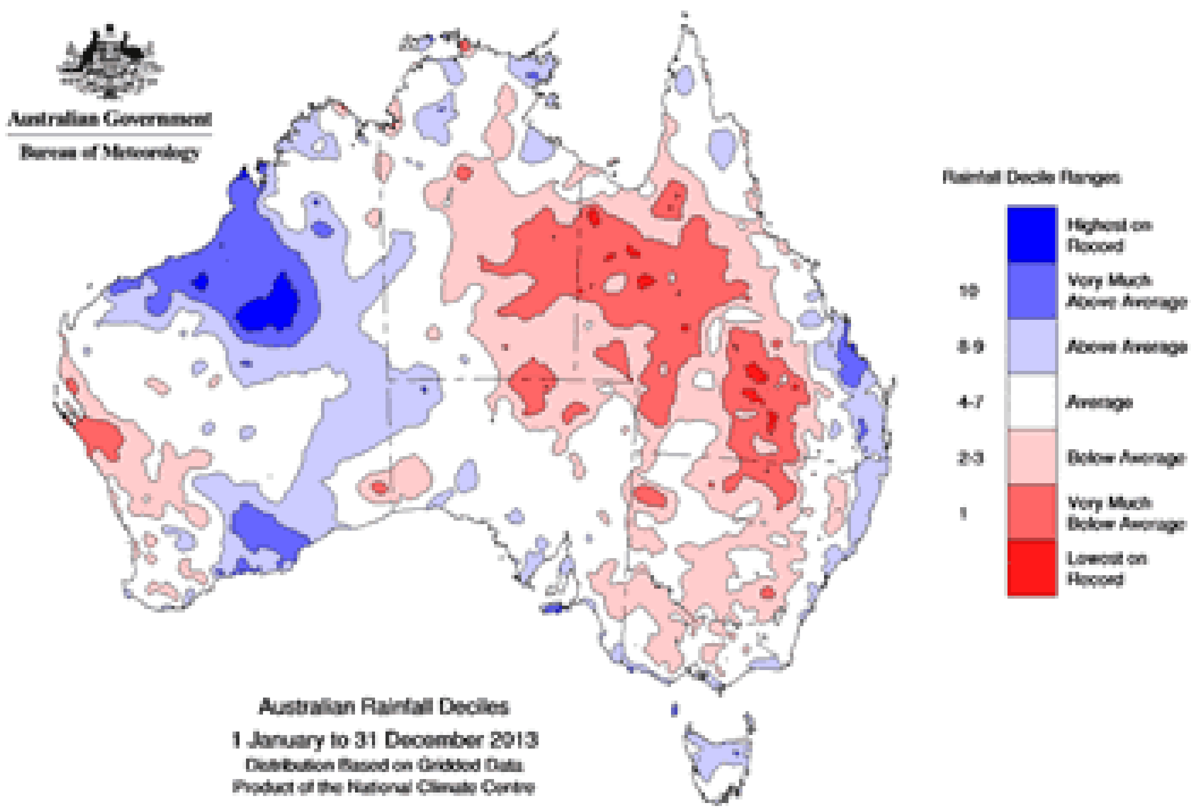
Commodities:

Animal Numbers, Cattle

Meat, Beef and Veal

Seasonal conditions

2013 was Australia's warmest year on record; with mean temperatures across Australia generally well-above average since September 2012. Annual rainfall was below- average across a large region of the inland east and central Australia and above-average for the east coast, northern Tasmania and parts of Western Australia.



Source: Bureau of Meteorology – 2013 Annual rainfall

During 2013, Australian livestock producers in the eastern states suffered from low rainfall and drought conditions, with 80 per cent of the state of Queensland drought declared at the beginning of 2014. Poor seasonal conditions reduced farm carrying capacity and the number of cattle and calves sent to slaughter was the highest for a decade.

Cattle numbers

The Australian cattle herd for the beginning of CY2013 has been revised higher to 29 million head up from Post's previous estimate of 28.4 million head. Slightly lower CY2013 ending inventories are forecast at 28.25 million head at 28.25 million head. Total herd numbers are expected to decline in CY2014 to around 27.5 million head, down 2.6 per cent from the previous forecast. The main contributor to this decline in herd numbers was the drought-induced highest adult turnoff numbers since 1978 across the key cattle producing regions of Queensland, the Northern Territory and northern and western New South Wales. Lower branding rates and higher mortality rates also contributed to the decline in the national herd number.

A total of 810,405 head of cattle were on feed in the quarter ending December 2013, an increase of nearly three percent over the previous quarter and nearly two and a half percent higher than the quarter ending December 2012. The increase in numbers reflects the increase in availability of feeder cattle and falling cattle prices. These numbers represent capacity utilization of 71 percent nationally with Queensland capacity at 81 percent during the end of December 2013.

Slaughter / Production

Beef and veal slaughter estimates for CY2013 have been revised higher to 9.03 million head and revised downward on Post's previous report by 100,000 to 8.3 million head for CY2014. The reduced number of cattle for slaughter in CY2014 is the result of the drought driven rush in turnoff and increased slaughter levels throughout CY2013.

Australian beef production in CY2014 is forecast at 2.175 million tons, slightly lower than Post's previous forecast. However, in CY2013 continued drought conditions prompted higher slaughter numbers for beef and veal increasing estimated production to 2.36 million tons CWE (carcass weight equivalent), approximately 2.9 percent higher than Post's previous estimate.

Exports

Live cattle exports have been revised upwards to 851,000 head for CY2013 and forecast to reach 900,000 head in CY2014 which would be the highest number since 2009. During 2013, Indonesia remained the largest export market accounting for approximately 53 per cent of live cattle exports taking a little above 454,000 head followed by Israel taking 98,320 head.

CY2013 estimates for total exports of beef and veal have also been revised slightly upward to 1.59 million tons CWE and revised downward to 1.47 million tons CWE for CY2014 due to a depressed supply of cattle for processing for export due to drought conditions throughout the past 18 months.

Production, Supply and Demand Data Statistics

Animal Numbers, Cattle	2012	2013	2014

Australia						
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Cattle Beg. Stks	28,506	28,506	28,418	29,000	28,365	28,250
Dairy Cows Beg. Stocks	1,700	1,700	1,725	1,725	1,710	1,710
Beef Cows Beg. Stocks	13,633	13,633	14,400	14,400	13,400	13,400
Production (Calf Crop)	8,539	9,121	9,200	9,168	8,750	8,480
Total Imports	0	0	0	0	0	0
Total Supply	37,045	37,627	37,618	38,168	37,115	36,730
Total Exports	620	620	620	851	620	900
Cow Slaughter	3,207	3,207	3,440	3,948	3,360	3,360
Calf Slaughter	625	625	695	690	670	670
Other Slaughter	4,146	4,146	4,465	4,396	4,370	4,270
Total Slaughter	7,978	7,978	8,600	9,034	8,400	8,300
Loss	29	29	33	33	30	30
Ending Inventories	28,418	29,000	28,365	28,250	28,065	27,500
Total Distribution	37,045	37,627	37,618	38,168	37,115	36,730
1000 HEAD, PERCENT						

Meat, Beef and Veal Australia	2012		2013		2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference)	7,978	7,978	8,600	9,034	8,400	8,300
Beginning Stocks	108	108	120	120	90	90
Production	2,152	2,152	2,270	2,359	2,265	2,175
Total Imports	12	12	10	10	10	10
Total Supply	2,272	2,272	2,400	2,489	2,365	2,275
Total Exports	1,407	1,407	1,530	1,595	1,545	1,475
Human Dom. Consumption	745	745	780	804	760	740
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	745	745	780	804	760	740
Ending Stocks	120	120	90	90	60	60
Total Distribution	2,272	2,272	2,400	2,489	2,365	2,275
1000 HEAD, 1000 MT CWE, PERCENT, PEOPLE, KG						